

MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
REGIONAL COUNCIL EXECUTIVE COMMITTEE MEETING
February 13, 2006
MAG Offices
302 North 1st Avenue, Phoenix, Arizona

MEMBERS ATTENDING

Mayor Keno Hawker, Mesa, Chair	Mayor Phil Gordon, Phoenix
Mayor Woody Thomas, Litchfield Park, Vice Chair	Mayor Joan Shafer, Surprise
Mayor Mary Manross, Scottsdale, Treasurer	Mayor James M. Cavanaugh, Goodyear
# Mayor Wendy Feldman-Kerr, Queen Creek	

* Not present

Participated by videoconference or telephone conference call

1. Call to Order

The Executive Committee meeting was called to order by Chair Keno Hawker at 12:00 p.m. Chair Hawker stated that transit tickets were available from Valley Metro/RPTA for those using transit to come to the meeting. Parking validation was available from MAG staff for those who parked in the parking garage.

2. Call to the Audience

Chair Hawker noted that according to MAG's public comment process, members of the audience who wish to speak are requested to fill out the public comment cards. He stated that there is a three minute time limit. Public comment is provided at the beginning of the meeting for items that are not on the agenda that are within the jurisdiction of MAG, or non-action agenda items that are on the agenda for discussion or information only. Chair Hawker stated that there were no public comment cards received.

3. Approval of Consent Agenda

Chair Hawker stated that public comment would be heard before action was taken on the consent items. Each speaker is provided with a total of three minutes to comment on the consent agenda. After hearing public comments, any member of the Committee can request that an item be removed from the consent agenda and considered individually. Chair Hawker stated that agenda items #3A through #3F were on the consent agenda. Chair Hawker stated that there were no public comment cards received.

Mayor Shafer moved to approve consent agenda items #3A through #3F. Mayor Cavanaugh seconded, and the motion carried unanimously.

3A. Approval of the January 9, 2006 Executive Committee Meeting Minutes

The Executive Committee, by consent, approved the January 9, 2006 meeting minutes.

3B. Consultant Selection for the MAG Intelligent Transportation Systems (ITS), Traffic Engineering and Transportation Safety On-Call Services Request for Qualifications

The Executive Committee, by consent, approved the selection list of consultants for the ITS/TE and Transportation Safety on-call services, for amounts not to exceed the following: (1) Traffic Engineering (\$300,000, approximately ten projects); (2) ITS Planning (\$400,000, three projects); (3) ITS Operations Planning (\$200,000, one project); (4) ITS Training (\$18,000, one project); (5) ITS Evaluation (\$68,000, two projects); (6) Traffic Data Collections Systems (\$20,000, one project); (7) Transportation Safety, Phase 1 (\$50,000, one project); (8) Transportation Safety - Phase 2 (\$120,000, one project); (9) Transportation Safety - Phase 3 (\$150,000, one project). The 2006 MAG Unified Planning Work Program includes 21 projects to be implemented in nine areas of technical expertise (ITS, Traffic Engineering and Transportation Safety) over a two-year span. These projects will be executed through on-call consultant contracts with qualified consultants. A request for qualifications in the nine areas of expertise was advertised on October 16, 2005. Proposals were received from 13 consultant teams with their qualifications in ITS and Traffic Engineering. Eight of these teams also submitted qualifications in Transportation Safety. Two multi-jurisdictional panels evaluated the proposals and recommended to MAG the selection of a number of qualified consultant teams in each of the areas of expertise. The MAG Transportation Safety Committee and the MAG ITS Committee recommended approval.

3C. Amendment to the FY 2006 MAG Unified Planning Work Program and Annual Budget to Accept Federal Highway Administration Planning (PL) Funds

The Executive Committee, by consent, approved an amendment to the FY 2006 MAG Unified Planning Work Program and Annual Budget to include the revised award of \$4,044,362 of FY 2006 FHWA planning funds. Each year, MAG prepares a Unified Planning Work Program and Annual Budget that lists anticipated revenues for the coming year. Recently the Arizona Department of Transportation provided the official amount of FY 2006 Federal Highway Administration Planning (PL) funds. The revised amount of FHWA PL funds is \$4,044,362. A modification is being requested to the FY 2006 MAG Unified Planning Work Program and Annual Budget to include this revised funding amount.

3D. Status Update on the June 30, 2005 Single Audit and Management Letter Comments, MAG's Comprehensive Annual Financial Report (CAFR) and OMB Circular A-133 Reports (i.e., "Single Audit") for the Fiscal Year Ended June 30, 2005

The Executive Committee, by consent, recommended acceptance of the audit opinion issued on the MAG Comprehensive Annual Financial Report and Single Audit Report for the year ended June 30, 2005. The public accounting firm of Deloitte & Touche LLP has completed the audit of MAG's Comprehensive Annual Financial Report (CAFR) and Single Audit for the fiscal year ended June 30, 2005. An unqualified audit opinion was issued on January 13, 2006 on the financial statements of governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information. The independent auditors'

report on compliance, with the requirements applicable to major federal award programs, expressed an unqualified opinion on the Single Audit. The Single Audit report indicated there were no reportable conditions in MAG's internal control over financial reporting considered to be material weaknesses, no instances of noncompliance considered to be material and no questioned costs. No new or repeat Management Letter comments were issued for the fiscal year ended June 30, 2005.

3E. Request for an Accountant I Position for the MAG Summary of Budgeted Positions

The Executive Committee, by consent, approved adding an Accountant I position to the MAG Summary of Budgeted Positions. The FY 2006 Unified Planning Work Program and Annual Budget includes the anticipated staff positions for the coming year. For FY 2006, 72.25 positions were included in the budget. Of these, five are allocated to the Fiscal Services Division. Due to current workload, staff is requesting that an Accountant I position be added, bringing the total positions to 73.25. Currently, the MAG Fiscal Services activities are being performed by four professional positions that have not changed since MAG became independent of the League's administrative functions in 1997. Since that time, funding and contracting activity has greatly increased. This position would ensure that the vital accounting functions at MAG continue to be performed in a timely manner throughout the year.

3F. Consultant Selection for the Interstate 10-Hassayampa Valley Roadway Framework Study

The Executive Committee, by consent, approved the selection of DMJM + Harris to conduct the Interstate 10-Hassayampa Valley Roadway Framework Study for an amount not to exceed \$500,000. In October 2005, the Regional Council approved an amendment to the FY 2006 MAG Unified Planning Work Program and Annual Budget to include funding for the Interstate 10-Hassayampa Valley Roadway Framework Study. The purpose of the study is to develop a roadway framework plan for connections to the Interstate and other regional roadways, including US-60/Grand Avenue, SR-85, Bell Road, and SR-303L/Estrella Freeway. A request for proposals was advertised and four responses were received. A multiagency review panel reviewed the proposals and recommended to MAG that the firm DMJM+Harris be selected to conduct the study for an amount not to exceed \$500,000.

4. Discussion of the Development of the FY 2007 MAG Unified Planning Work Program and Annual Budget

Becky Kimbrough provided an overview of MAG's early FY 2007 draft revenues and expenditures, proposed projects, and proposed staff positions for the FY 2007 Work Program. Ms. Kimbrough noted that the draft time line has been updated to reflect two newly scheduled budget meetings. She stated that the Budget Workshop is scheduled for Thursday, February 16, 2006 at 9:00 a.m. in the MAG Palo Verde meeting room, and the Intermodal Planning Group meeting is scheduled for Wednesday, April 6, 2006 at 9:00 a.m. in the MAG Cholla room. Ms. Kimbrough reported on the draft Dues and Assessments worksheet. She stated that the proposed construction inflation factor for the estimated dues and assessments is set at seven percent. She added that ADOT is expected to issue the final construction inflation factor in late February and the estimated dues and assessments will be updated at that time. Ms. Kimbrough stated that the MAG Programs in Brief allows members to quickly decipher the financial implications of the MAG budget. She

noted that 15 new projects are being proposed and these projects are separated by division. There are two new projects in the human services division, two in information services and 11 in transportation. Chair Hawker asked how the seven percent inflation factor was determined when the Consumer Price Index (CPI) is approximately 3.1 percent. Ms. Kimbrough replied that this percentage came from the highway construction factor official certification. Chair Hawker asked the relationship between the MAG budget and the concrete and steel industries. Dennis Smith explained that there are a number of indexes that could be used. He added that it is early in the process and we can explore other inflation factors. Ms. Kimbrough stated that she will assess what member agencies are doing. Chair Hawker suggested that there may be a reason why we are using this factor. Mr. Smith explained that the connection is with the ADOT Life Cycle Program.

Chair Hawker recognized public comment from Mr. Crowley, who requested that he get his three minute of public comment under the consent agenda because he came in after the meeting began. Mr. Crowley stated that the region has 6,914 bus stops and only 1,874 are sheltered. He stated that funds are going to cover park and rides, because it is more important to shelter cars than people. Mr. Crowley pointed out that the Central Station closes its bathrooms at 7:00 p.m. and on weekends. He noted that there is a rent-a-cop there 24 hours a day. He stated that it was more important to watch property than protect people. Mr. Crowley commented on the light rail stops. Chair Hawker thanked Mr. Crowley for his comments. Chair Hawker noted that the meeting started at 12:00 noon and with a quorum.

Chair Hawker asked for an update on how master plans are linked to transportation planning. Mr. Smith replied that MAG was preparing a paper on the construction costs of Regionally Significant Development Projects as requested by the Regional Council. MAG had also received approval to move forward with phase one of Building a Quality Regional Community. He noted that MAG could proceed further with this project if the Regional Council would like. Mr. Smith also noted that continuation of this project was not budgeted, but could be taken out of contingency. Chair Hawker stated his concern regarding the lack of concurrent development with housing and infrastructure. He asked the best venue to address this issue. Mr. Smith explained the history behind this effort. He noted that there was the MAG Regional Development Committee in 1988; the Urban Forum in 1992; the Blue Ribbon Committee in 1996; and most recently the Governance Task Force 2001. The Governance Task Force's focus was on adequate public facilities. He noted that a white paper was written on this topic. Mr. Smith noted that after each of these committees, there did not seem to be much interest in moving forward. Mr. Smith noted that this is beyond the MAG region. He noted that this topic of leapfrog development will be discussed at the Regional Planning Dialogue Retreat on March 24, 2006.

Mr. Smith stated at the Pinal County Conference in Florence, Pinal County discussed how they implemented a minimal development fee. He added that San Diego just renewed its sales tax for 40 years and a fee of \$2,000 on each new residential development. He noted that low income housing would be exempt from the \$2,000 fee. Mr. Smith suggested having a discussion at the March retreat with the other elected officials. He stated that if there is a desire to put together a study, we can still include the study in this Work Program. Chair Hawker asked if there was a better way than reacting after the fact. Mayor Manross stated that she shares in this frustration. She also noted that this needs to be looked at from a regional and state level and it should not be delayed until it gets that bad. Mayor Manross asked how we move forward with this issue. Mayor

Thomas expressed his concern regarding the legislature going beyond the Transportation Policy Committee's (TPC) planning effort. He noted that funds set aside to widen I-17 were never part of Proposition 400. Mayor Cavanaugh agreed with Chair Hawker on addressing infrastructure with development. He noted that we should take a long-range view. He noted that it will not happen overnight and we need to start planning now. Mayor Feldman-Kerr stated that concurrent planning needs to start happening now before other projects are approved. Mayor Shafer agreed with Mayor Cavanaugh that it would take time. Mr. Smith stated that this starts with building relationships at the retreat next month. He noted that we need to work cooperatively with other agencies around the state. He noted that the information gathering is here at MAG. Mr. Smith commented on the popularity of the red dot maps. He noted that Maricopa County already requested nine of these maps. Mr. Smith noted that we need to get the private sector involved and at the table. Mayor Thomas stated that we need to determine if there would be community acceptance of the idea of impact fees and explore this as a group.

Mr. Smith referenced the Pinal County Summit presentation. He stated that Pinal County has the opportunity to plan their gateway routes. He noted that the Hassayampa plan is similar. It can be determined what the major arterials are that need to be preserved to ensure mobility. Chair Hawker stated that we need to make sure that there is money in the budget for a study. Mayor Thomas thanked the committee and staff for their efforts in providing the commuter rail update. Mayor Manross stated that we need the regional connections from rail. Chair Hawker stated that it should be structured like the TPC and bring to the table outside agencies like the developers.

5. Request to Update the MAG Compensation Study

Dennis Smith stated that in 2004, the Executive Committee concurred with staff recommendation to have a compensation study conducted for the MAG organization. He noted that Public Sector Personnel Consultants conducted the study and the recommendations were approved in May 2004. Mr. Smith noted that to continue to keep MAG competitive, staff is recommending that the compensation study be updated. He noted the difficulty in filling some of the technical positions in the transportation and air quality divisions at MAG. Mr. Smith stated that the recommendations from the study would be considered at the May 2006 Executive Committee for consideration in the FY 2007 budget. He also noted that three firms were contacted for a quote and Public Sector Personnel Consultants came in the low bid at \$12,500. Chair Hawker thanked Mr. Smith for his report.

Mayor Thomas moved to approve conducting an update to the MAG Compensation Study through Public Sector Personnel in the amount of \$12,500 to be provided from the MAG contingency funds. Mayor Shafer seconded, and the motion carried unanimously.

6. Update on Phase 1 of the Regional Governmental Service Center

Denise McClafferty updated the Executive Committee on the activities of the Building Lease Working Group (BLWG). She noted that in November 2005, The Executive Committee was provided an update on the programming of space for the potential partners of the regional office building. An update was also provided on potential sites, including the four proposed sites identified by the BLWG. These sites included: Lund site (south side of Van Buren at 2nd Avenue);

YMCA site; Central and McDowell (northwest corner; 6-7 acres); and the Viad site (Central & Palm). She noted that at the January 9th BLWG meeting, it was determined that these four sites were not ready for development or sale, or required much larger buildings. Also at the meeting, Maricopa County gave a presentation regarding a potential partnership in an office building on a site adjacent to the Maricopa County Complex. Ms. McClafferty stated that the County is proposing a 350,000 square foot building with the County using 150,000 square feet of the building and 200,000 square feet for the regional partners. The County indicated that the next steps would be a commitment from all partnering agencies so that the scope of the project could be determined by February 2006 and project authorization no later than March 2006.

Ms. McClafferty stated that a presentation was also given by Hines, a development and investment company, on a potential partnership in an office building on Central and Van Buren. After recent discussions with the consultant, Langdon Wilson, we were informed that Hines is no longer the developer on this site. However, plans for development have not changed. She noted that this site is proposing a 1.4 million gross square foot, mixed-use development that will have 320,000 square feet of Class A office space; approximately 200,000 square feet of classroom space for ASU; 50,000 square feet of ground floor retail space; 345,000 square feet of residential condominium space and 510,000 square feet of parking. Construction on this site is planned to begin in the fourth quarter of 2006 with completion in the fourth quarter of 2008. Ms. McClafferty reported that the real estate team identified two additional sites, which include McKinley and 1st Avenue and 45th Street and Washington. She stated that the BLWG directed the consultant to pursue the four sites discussed. These sites include: Maricopa County - Block #26; Central and Van Buren; McKinley and 1st Avenue; and Washington and 45th Streets.

Ms. McClafferty stated that since the BLWG meeting, additional information was received on the site west of the YMCA on 2nd Avenue. She noted that the real estate team has been in contact with the developer who is interested in partnering on a project. Ms. McClafferty also reported that MAG staff met with Bryant Barber, Phoenix Industrial Development Authority (IDA) attorney, regarding using the Phoenix IDA as a financing option. It was projected that financing could be obtained at a rate of five percent for 20 years, with the loan beginning in year three. She noted that this financing option includes paying interest only for the first two years during design and construction of the building. In addition, the City of Phoenix recently contacted MAG regarding the Compass Bank space on the ground floor of this building and indicated that this space would become available later this year. She stated that MAG staff directed the consultant to add this potential space as an option for staying in the current building. Ms. McClafferty reported that the BLWG meets following the Executive Committee meeting. At this meeting, the consultant will be providing proposals with detailed information on each site, as well as financial information on each site. She noted that once a site is selected and financial information is completed, further commitment from the partnering agencies and their board of directors would be the next step.

Mayor Gordon stated that the Committee voted to stay in the core downtown area and asked why Washington and 45th Street was on the list of sites. Chair Hawker explained that a number of sites in downtown had drop out for one reason or another. He also noted that the consultant indicated that this site has a planned development that would be close to the light rail line and would be very competitive in cost. Mr. Smith added that the BLWG expressed concerns about this site not being centrally located for all member agencies. Chair Hawker stated that he was surprised to see how

many sites dropped out. Mayor Gordon noted that there will be other sites in the downtown area on the market soon. Mayor Shafer noted that the 45th Street and Washington site would not be the best site for the west valley members. It would add more time on their commute to meetings. She also noted the importance of having good parking. Mayor Shafer asked if the area around the capital was discussed. Chair Hawker noted that it was discussed and that area is slated for other development. Ms. McClafferty noted that parking, as well as location and ease of accessibility are all criteria being evaluated on each site. Mr. Smith stated that security is another issue being addressed. He noted that the downtown area had a bomb threat the day of the Management Committee meeting. He thanked the City of Phoenix for their assistance in securing the building before the meeting. Chair Hawker asked when the downstairs would be available. Ms. McClafferty replied that the Compass Bank will vacate their site in June 2006. This space could potentially be used for meeting room space. Mr. Smith noted that Mayor Cavanaugh indicated, through a telephone message after leaving the meeting, that he would like to see more information on staying in the current building with the ground floor space. Chair Hawker thanked Ms. McClafferty for the update.

7. Legislative Update

Mr. Smith reported that of the ten bills being tracked, seven are related to bonding, acceleration, or funds from the general fund to help with transportation issues. Mr. Smith commented that getting general fund money into transportation is positive, but expressed concern regarding earmarking funds. He noted that there was a general counsel opinion issued at the House of Representatives that clearly stated that the authority of planning is through MAG. The reason for that is that federal funds need to come through MAG. In addition, state funds come through MAG because of the air quality conformity provision. He explained that if a project is in our plan and accelerated but does not cross one of our modeling years, then it may still meet conformity. However, if it crosses one of these “horizon years” (years when modeled) in the air quality conformity modeling, then we would have to redo conformity.

Mayor Gordon stated that there are 18 or more eminent domain bills. Mayor Thomas highlighted SB 1504. He stated that Verrado is another Anthem. He stated that you cannot legislate good decisions. Mayor Thomas stated that the TPC and the voters agreed on a plan and it should be followed.

Chair Hawker recognized public comment from Mr. Crowley, who stated that light rail needs to cross I-17. He noted that a map in the hallway shows a future transit center at 25th Avenue and Mountain View, which will require a shuttle. Mr. Crowley referenced the Work Program. He asked if it would take the Legislature to tell you what to do. Mr. Crowley commented on the list of air quality exceedances and warnings. Mr. Crowley stated that legislation says that buses have an exemption on idling time and are allowed to idle up to an hour, longer than other vehicles. He said he wanted the Legislature to allow Maricopa County to change this rule. Chair Hawker thanked Mr. Crowley for his comments

8. Adjournment

Mayor Shafer moved to adjourn the Executive Committee meeting. Mayor Cavanaugh seconded, and the motion carried unanimously.

There being no further business, the meeting was adjourned at 12:55 p.m.

Chair

Secretary